



DEPARTMENT OF MANAGEMENT & BUDGET

State Building Authority

BASICS OF MOTOR VEHICLE SELF-INSURANCE

The state of Michigan is self-insured for its automobile liability exposure. To pay for claims against it the state maintains a special fund and claims are administered through a third party, at this time Crawford & Company. This funded self-insurance program provides a maximum limit of \$1,000,000 per accident. Losses in excess of \$1,000,000 per accident are the responsibility of the at-fault department.

Covered

- State owned or leased vehicles acquired through the state contracted vehicle lessor (currently, Wheels, Inc.) and registered with DMB's Vehicle Services
- Costs required under Michigan's No-Fault Law:
 - Personal Injury Protection (PIP)- medical benefits, wage loss, and replacement services
 - Property Protection Insurance (PPI)- damage to property, and damage to properly parked cars
 - Residual Liability- losses due to lawsuits, and expensive involved in defense. The Fund will pay all allocated loss adjustment expenses (ALAE). ALAE are those expenses attributable to a particular loss.
- Legal representation through the Office of the Attorney General

Not Covered

- Temporary rental vehicles from third parties
- Vehicles assigned to colleges and universities
- Department of Natural Resources federal excess property vehicles loaned out to rural fire departments are not covered by the Fund
- Intentional acts by state employees or agents driving state owned vehicles
- Collision coverage
- Employee personal vehicles

See Administrative Procedure 0820.01 Insurance Coverage of State Owned Property for more information.